

WHAT IS A CREDIT REPORT?

Your credit report contains important information about you. It generally includes facts about your identity, where you work, live, your bill-paying habits, and public record information. Credit grantors use credit reports to determine whether or not you will be extended credit. Identity information includes your name, address, marital status, Social Security number, date of birth, number of dependents, and previous addresses. Employment data includes your present position, length of employment, income, and previous jobs. Factual information about your credit history consists of your credit experiences with specific credit grantors. Public record information includes civil suits and judgments, bankruptcy records or other legal proceedings recorded by a court. A credit report does not contain information on arrest records, specific purchases, or medical records.

Companies called credit reporting agencies or credit bureaus compile and sell your credit report to businesses, which use it to evaluate your applications for credit, insurance, employment, and other purposes allowed by federal law. Therefore, it is important that your credit report contain complete and accurate information.

It is advisable that you review your credit report every three or four years to check for inaccuracies or omissions. You also may want to check your report sooner if you are considering a major purchase, such as buying a home.

HOW CAN I OBTAIN A CREDIT REPORT?

If you have been denied credit, insurance, or employment because of information that was supplied by a credit reporting agency, the Fair Credit Reporting Act requires the report recipient to give you the name and address of the credit reporting agency that supplied the information within 30 days after the credit was denied. If you contact that agency within 60 days of receiving the denial notice, you can receive a **free copy** of your credit report.

If you simply want a copy of your report, call the credit reporting agencies listed in the Yellow Pages under "credit" or "credit rating and reporting." Call each credit report agency listed since more than one agency may have a file on you, some with different information. You may have to pay a reasonable charge for each report.

Three large national credit bureaus supply most credit reports: Experian, Equifax, and Trans Union. You may want to contact each of them for a copy of your report.

Experian (Formerly TRW) <http://www.experian.com>
P.O. Box 949
Allen, TX 75013-0949
(888)397-3742
Free

Equifax Credit Information Services, Inc. <http://www.equifax.com>
P.O. Box 740241
Atlanta, GA 30374-0241
(800) 685-1111
\$8 Fee

Trans Union Corporation <http://www.transunion.com>
Trans Union Consumer Relations
760 West Sproul Road, P.O. Box 390
Springfield, PA 19064-0390
(800) 916-8800
\$8 Fee

When you show proper identification, the credit reporting agency must then disclose to you all its information and identify the sources of that information. The law requires the credit bureau to disclose the "nature and substance" of the information in the file. You must also be informed about anyone who obtained reports for employment purposes in the past two years, plus the names of all others who requested credit reports or other information about you in the past six months.

A consumer reporting agency will send a **free report** once in any 12-month period upon request of a consumer **if** the consumer is unemployed and intends to apply for employment in the 60-day period beginning on the date on which the certification is made, is a recipient of public welfare assistance, or has reason to believe that the file on the consumer at the agency contains inaccurate information due to fraud.

HOW CAN I CORRECT ERRORS ON MY CREDIT REPORT?

You have the right, under the Fair Credit Reporting Act, to dispute the completeness and accuracy of information in your credit file. When a credit reporting agency receives a dispute, it must reinvestigate and record the current status of the disputed items within a "reasonable period of time," unless it believes the dispute is frivolous or irrelevant."

If the credit reporting agency cannot verify a disputed item, it must delete it.

If your report contains erroneous information, the credit reporting agency must correct it. For example, if your file showed an account that belongs to another person, the credit reporting agency would have to delete it.

If an item is incomplete, the credit reporting agency must complete it. For example, if your file shows you were late in making payments on accounts, but failed to show that you

were no longer delinquent, the credit reporting agency must show that your payments are now current.

At your request, the credit reporting agency must send a notice of correction to any report recipient who has checked your file in the past six months.

WHAT CAN I DO IF I HAVE A DISPUTE?

You must make your dispute directly to the credit reporting agency. Although the Fair Credit Reporting Act does not require it, the Federal Trade Commission staff recommends that you submit your dispute in writing, along with copies (NOT originals) of documents that support your position.

In addition to providing your complete name and address, your letter should clearly identify each item in your report you dispute; explain why you dispute the information; state the facts; and request deletion or correction. You may want to enclose a copy of your report with the items in question circled.

Send your dispute by certified mail, return receipt requested and keep copies of your dispute letter and enclosures.

DUTY TO CORRECT AND UPDATE INFORMATION ..

A person who furnishes information to one or more consumer reporting agencies and has furnished to a consumer reporting agency information that the person determines is not complete or accurate, shall promptly notify the consumer reporting agency of that determination and provide any corrections to that information to the agency and any additional information that is necessary to make the information provided by the person to the agency complete and accurate. The person shall not thereafter furnish to the agency any of the information that remains not complete or accurate.

CLOSED ACCOUNTS. . .

A person who regularly and in the ordinary course of business furnishes information to a consumer reporting agency regarding a consumer who has a credit account with that person shall notify the agency of the voluntary closure of the account by the consumer, in information regularly furnished for the period in which the account is closed.

YOUR SIDE OF THE STORY. . .

If a reinvestigation does not resolve your dispute, you can file a statement of up to 100 words to explain your side of the story. The credit reporting agency must include this explanation in your report each time it sends the report out. As well as to each report made within 60 days prior to your request. Credit reporting agency employees often are available to help you word your statement.

ARE ALL MY ACCOUNTS LISTED IN MY CREDIT REPORT?

Most credit grantors report their data to credit bureaus at least monthly. Some smaller lenders, however, do not report information to credit bureaus.

HOW LONG WILL INFORMATION STAY ON MY REPORT?

Be aware that when negative information in your report is accurate, only the passage of time can assure its removal. Credit reporting agencies are permitted by law to report bankruptcies for 10 years and other negative information for 7 years.

Also, any negative information may be reported indefinitely for use in the evaluation of your application for:

- ◆ \$150,000 or more in credit;
- ◆ a life insurance policy with a face amount of \$150,000 or more; or
- ◆ consideration for a job paying \$75,000 or more.

ADDING ACCOUNTS TO YOUR FILE...

Your credit file may not reflect all of your credit accounts. Although most national department stores and all-purpose bank credit card accounts will be included in your file, not all creditors supply information to credit reporting agencies.

If you have been told that you were denied credit because of an "insufficient credit file" or "no credit file" and you have accounts with creditors that do not appear in your credit file, you can ask the credit reporting agency to add this information to future reports. Although they are not required to do so, many credit reporting agencies will add other verifiable accounts for a fee.

WHAT ABOUT A CREDIT REPAIR COMPANY?

It is recommended that a credit repair company be looked at long and hard before being used. The law gives a consumer certain rights to accuracy in the credit report. If a credit report is repairable, it can be done by the consumer. If it contains accurate, negative information, handing money to a credit repair company will not help. They cannot remove accurate information or information you cannot have removed.

WHO CAN ORDER MY CREDIT REPORT?

There are limited circumstances under which a credit bureau may

furnish consumer credit reports. These permissible purposes are:

- ◆ In connection with credit or collection transactions.
- ◆ For employment purposes.
- ◆ For the underwriting of insurance.
- ◆ For the determination of a consumer's eligibility for a license.
- ◆ Other legitimate business transactions initiated by you.
- ◆ To review an account to determine whether you continue to meet the terms of the account.
- ◆ Court orders meeting specific requirements.
- ◆ At the your written instruction.

The Indiana Department of Financial Institutions, Division of Consumer Credit has many other credit related brochures available, such as:

Answers to Credit Problems
Applying for Credit
At Home Shopping Rights
Bankruptcy Facts
Buried in Debt
Car Financing Scams
Charge Card Fraud
Choosing A Credit Card
Co-Signing
Credit and Divorce
Credit and Older Consumers
Deep in Debt?
Equal Credit Opportunity
Fair Debt Collection
Gold Cards
Hang up on Fraud
High Rate Mortgages
Home Equity Credit Lines
How to Avoid Bankruptcy
Indiana Uniform Consumer Credit Code
Look Before you Lease
Mortgage Loans
Repossession
Reverse Mortgage Loans
Rule of 78s – What is it?
Scoring for Credit
Shopping for Credit
Using Credit Cards
Variable Rate Credit
What is a Budget?
What is the DFI?

Call our toll-free number or write to the address on the cover for a copy of any of the brochures listed or for further consumer credit information.



FAIR CREDIT REPORTING



DEPARTMENT OF FINANCIAL INSTITUTIONS

Consumer Credit Division
30 South Meridian Street, Suite 300
Indianapolis, Indiana 46204
317-232-3955
1-800-382-4880

